



March 8, 2021

Larry Carbonneau, CPA
Division of Licensing and Regulatory Services
Certificate of Need Unit
41 Anthony Avenue
State House Station 11
Augusta ME 04333-0011

RE: Northern Maine Medical Center - Forest Hill Manor – Replacement Nursing Facility

Dear Larry:

This letter of intent is submitted as required by Section 71.05 of the Division of Licensing and Regulatory Services policy manual in connection with Northern Maine Medical Center's (NMMC) proposed construction of a replacement facility for Forest Hill Manor.

NMMC is a not-for-profit Maine corporation that consists of a 49-bed licensed acute care institution and Forest Hill Manor (FHM), a 45-bed licensed long-term care institution located in Fort Kent, Maine. FHM is a department of NMMC and receives MaineCare reimbursement based on its hospital-based peer group designation.

NMMC plans to replace its existing aged facility built in 1974 with a modern facility that meets the needs and expectations of the next generation of residents as well as provides a more efficient layout to facilitate infection control and the provision of services. The replacement facility will be entirely private rooms with private bathrooms, include a secure interior courtyard to provide a safe environment for its residents with dementia, and a pod-style layout that provides an environment that allows for clinical staff to more efficiently care for the residents.

FHM currently shares its building with NMMC's finance department that limits its ability to convert its current layout of semi-private to private rooms and overall cumbersome layout creates difficulty in meeting the needs of both its residents and staff. In addition, any renovations would be cost prohibitive and not achieve intended results.

The replacement facility will be located across the street from its current location on a vacant lot currently owned by NMMC. FHM will maintain its current bed compliment and anticipates it will continue to receive hospital-based peer group designation subsequent to relocation to the new facility that will allow FHM to continue to provide high quality services.

We estimate the cost of the proposed replacement facility to be \$17,700,000 and anticipate financing the entire project costs through MHHEFA with a term of 30 years at an interest rate of

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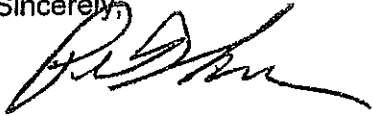
3%. We expect construction to commence in the spring of 2022 and be completed by Spring 2023.

NMMC has identified available MaineCare revenue stream to achieve MaineCare neutrality with regards to the project.

Larry, we will be contacting you shortly to discuss scheduling a Technical Assistance Meeting in the near term. We are eager to commence the project. Tammy Brunetti and Kevin Ware of BerryDunn will be assisting us throughout the process and will be participating in the meeting as well.

We look forward to working with you on this important project in the next step in the future of the NMMC's commitment to providing quality long-term care services to the people in northern Maine.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Sirois', with a stylized, flowing script.

Peter Sirois, Chief Executive Officer

c Tammy Brunetti, BerryDunn
Kevin Ware, BerryDunn
Rich Lawrence, DHHS